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Financing of the United Nations Peacekeeping Force in Cyprus

Financing arrangements for the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2004 to 30 June 2005

Note by the Secretary-General

1. By its resolution 58/301 of 18 June 2004 on the financing of the United Nations Peacekeeping Force in Cyprus (UNFICYP), the General Assembly appropriated for UNFICYP for the period from 1 July 2004 to 30 June 2005 and assessed on Member States the total amount of $51,992,200, inclusive of $47,240,400 for the maintenance of the Force, $2,176,900 for strengthening the security and safety of the staff and premises of the Force, $2,105,100 for the support account for peacekeeping operations and $469,800 for the United Nations Logistics Base.

2. Resources approved by the General Assembly for the Force provided for its maintenance based on the concept of operations and troop strength of 1,230 military contingent personnel. Subsequently, the Security Council, in its resolution 1568 (2004) of 22 October 2004, endorsed the Secretary-General's recommendations for the amendment to the concept of operations and reduction of the force level of UNFICYP to 860 personnel, as outlined in his report of 24 September 2004 (S/2004/756).

3. The anticipated savings attributable to the downsizing of the Force, however, have been offset by projected expenditure related to the substantial changes in the cost parameters used in the 2004/05 budget for UNFICYP dated 19 December 2003 (A/58/644), as well as to new emergency requirements for the relocation of military personnel from sector 1 (Camp San Martin) and the Ledra Palace Hotel, currently provided by the Government of Cyprus, which are unsafe for occupancy and constitute an unacceptable safety risk.

4. The changes in cost parameters include an increase in the civilian police mission subsistence allowance rate, increases of the post adjustment multiplier factor for international staff, revised national staff salary scale, increased contractual

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cost of rented vehicles, diesel and aviation fuel, as well as the appreciation of the Cyprus pound, which contribute to the projected additional requirements for the 2004/05 period of $3,755,100 gross ($3,975,800 net). Taking into account the cost of the emergency construction projects of $709,500 to be implemented during the 2004/05 period (see also para. 8 below), the total additional requirements of UNFICYP for the current financial period are projected at $4,464,600 gross ($4,685,300 net). These would be accommodated in part through the anticipated savings in the amount of $2,565,800 owing to the downsizing of the Force, as well as to the reprogramming and reprioritization of the utilization of the already approved resources, for the net additional requirements of $1,898,800 gross ($2,119,500 net) (see table).

Table
Additional resource requirements
(Thousands of United States dollars)

Category	*Amount*
Civilian police	204.0
International staff	623.1
National staff	1 494.0
Facilities and infrastructure	1 457.7
Ground transportation	579.8
Medical	106.0
Subtotal	**4 464.6**
Funds to be redeployed	(2 565.8)
Total	**1 898.8**

5. Accordingly, the projected revised maintenance requirements of UNFICYP for the 2004/05 period would amount to $49,139,200 gross ($47,036,100 net), representing an increase of $1,898,800 gross ($2,119,500 net), compared to the appropriation of $47,240,400 gross ($44,916,600 net) provided by the General Assembly for the maintenance of the Force in its resolution 58/301.

6. The additional resource requirements of $204,000 for civilian police are attributable to the increase in the daily mission subsistence allowance rates from $12 (incidental costs only) to $36 (incidental costs and food allowance) in effect from 1 August 2004 and take into account the discontinuation of the provision of rations from the same date.

7. The additional requirements of $623,100 for international staff are attributable to increases in the post adjustment multiplier factor from the budgeted 27.5 to 38.2 in July 2004 to 47.5 in January 2005, while the additional amount of $1,494,000 for national staff is due to the introduction of revised salary scales in effect from 1 September 2004, combined with the appreciation of the Cyprus pound against the United States dollar by 15 per cent (from the budgeted CYP£ 0.54 to the United States dollar to CYP£ 0.426 in January 2005).

8. Owing to the dilapidated state of the Ledra Palace Hotel and Camp San Martin (sector 1 headquarters) and increasing safety concerns, UNFICYP commissioned in late 2004 an independent engineering survey to determine the suitability of those facilities for the accommodation of the mission's civilian police and military personnel. The survey confirmed that the facilities were structurally unsafe and that their continuing utilization constitutes an unacceptable safety risk. Given the prohibitive cost of refurbishing those facilities (approximately $20.2 million), UNFICYP would relocate all personnel currently accommodated at the Ledra Palace Hotel and Camp San Martin to containerized facilities at a total cost of $3,762,200, of which $709,500 would be required for the engagement of engineering consultancy services and site preparation, as well as electrical, water and sewage projects to be implemented during the 2004/05 financial period. The balance of the estimated total cost of the project ($3,762,200) in the amount of $3,052,700 represents requirements for the acquisition of prefabricated facilities during the 2005/06 financial period, for which no provision has been made in the proposed 2005/06 budget for UNFICYP dated 22 December 2004 (A/59/656). Further projected additional requirements of $748,200 for the 2004/05 period under the facilities and infrastructure category are attributable to the increased cost of supplies, materials and services procured locally owing to the appreciation of the Cyprus pound against the United States dollar.

9. The additional requirements of $579,800 under the ground transportation category are attributable to substantial increases in rental costs of nine 4x4 utility vehicles based on a new contract in effect from 1 July 2004, as well as increased cost of diesel fuel from the budgeted $0.28 per litre to $0.47 per litre and the appreciation of the Cyprus pound against the United States dollar.

10. The additional requirements of $106,000 under medical services are attributable to the projected higher costs of medical supplies (first-aid kits and supplies for HIV prevention) and increases in the cost of medical services provided locally owing to the appreciation of the Cyprus pound.

11. **The actions to be taken by the General Assembly in connection with the financing of the Force are:**

(a) **To appropriate the amount of $1,898,800 for the maintenance of the Force for the period from 1 July 2004 to 30 June 2005, including the amount of $706,500 of the net appropriation to be funded through voluntary contributions from the Government of Cyprus, in addition to the amount of $47,240,400 already appropriated for the same period for the maintenance of the Force under the provisions of General Assembly resolution 58/301 of 18 June 2004;**

(b) **To assess the amount of $1,192,300 representing the balance of the additional appropriation at a monthly rate of $99,358.**